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Dianne R. Nielson, Ph.D.

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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February 21, 1992

Mr. Wendell Owen
Co-Op Mining Company
P.O. Box 1245
Huntington, Utah 84528

Dear Mr. Owen:

Re: Underground Monitoring Well Drilling Program and PHC Revision, Co-Op Mining Company, Bear Canyon Mine, ACT/015/025, Folder #2, Emery County, Utah

The Division appreciates being notified of the status of the drilling program. As per Charles Reynolds' letter of February 17, 1992, the Division will await notification as to the scheduled completion dates of DH-1, DH-2, and DH-3. Please allow adequate lead time for informing the Division so the appropriate person(s) can observe the completion.

Please be reminded of Sections 24 and 26 of the Order issued May 20, 1991 by Dianne R. Nielson. Section 24 states, "No additional coal mining and reclamation operations at the Bear Canyon Mine beyond those currently approved in the permit will be considered for approval by the Division **until the Probable Hydrologic Consequence (Impact) (PHC) analysis has been revised**, based on additional drilling and monitoring of groundwater and surface water flow, quantity, and quality."

The additional data obtained from this investigation must be utilized to revise the PHC for the Bear Canyon Mine plan. This updated PHC will be expected from Co-Op Mining Company within sixty days of completion of the three wells. It should also be noted that this new data will have to be added, as appropriate, to the geology and hydrology sections of the PAP, the purpose of which will be to substantiate and/or update the present findings in these sections.

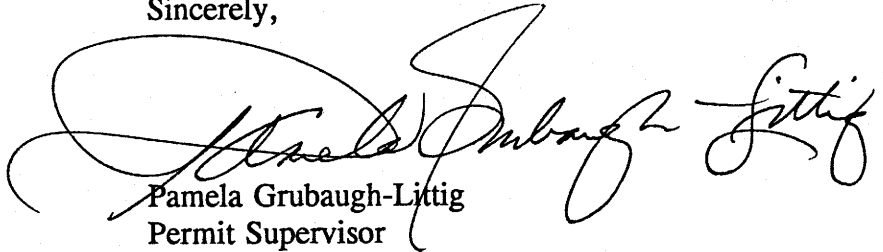
Section 26 further states, "The requirements for additional drilling and monitoring of the surface and subsurface hydrology will be determined by the Division. **At a minimum**, this will include drilling and monitoring three wells, located within and adjacent to the current permit area, for the purpose of evaluating the hydrologic gradient and water quality...."

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Upon submission to the Division, the results and conclusions of the Earth Fax investigation at Co-Op's Bear Canyon Mine will be reviewed. After such a review is completed, the Division will determine if the conditions set forth in the Order have been satisfied.

If you have any comments, please call me.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

jbe
cc: Eldon Kingston
Kim Mangum
Hugh Klein
Tom Munson
015025PH